



THE SECRETARY OF HEALTH AND HUMAN SERVICES

WASHINGTON, D.C. 20201

March 20, 2023

The Honorable Charles E. Grassley  
Ranking Member  
Committee on the Budget  
United States Senate  
Washington, DC 20510

Dear Senator Grassley:

Thank you for your letter to Administrator Brooks-LaSure and me regarding the Department of Health and Human Services (HHS) proposed rule to increase the transparency of nursing home ownership. We appreciate your longstanding leadership in this area and your dedication to improving nursing home quality for residents and their families. We share your commitment to improving the safety and quality of nursing home care and nursing home accountability.

On February 15, 2023, the Centers for Medicare & Medicaid Services (CMS) published in the Federal Register a proposed rule titled “Medicare and Medicaid Programs; Disclosures of Ownership and Additional Disclosable Parties Information for Skilled Nursing Facilities and Nursing Facilities,” which would implement portions of Section 6101 of the Affordable Care Act. The proposed rule would require nursing homes enrolled in Medicare or Medicaid — the majority of this country’s nursing homes — to disclose additional information regarding their owners, operators, and management. For example, as required by Section 6101, nursing homes would be required to disclose individuals or entities that provide administrative services or clinical consulting services to the nursing homes, their organizational structure, and a description of their relationship to the nursing home. The comment period for the proposed rule is open until April 14, 2023. CMS will consider all comments received during the comment period, as we work to finalize the rule.

In addition, I share your concerns about the quality of care and operations of nursing facilities, including those owned by private equity and other types of investment firms. HHS has taken steps to require Medicare skilled nursing facilities and other providers to disclose private equity company and real estate investment trust ownership interests. Last year, we began the process for revising the Form CMS-855A Medicare enrollment application used by these providers to require them to disclose private equity company and real estate investment trust ownership data on the form. The proposed rule noted above proposes definitions of “private equity company” and “real estate investment trust” to assist providers in making these disclosures on Form CMS-855A.

Thank you again for your letter and your continued leadership in making nursing facility ownership more transparent and ensuring that nursing home residents and their families will be more empowered to make informed decisions about care. If you have further thoughts or questions, please have your staff contact the Office of the Assistant Secretary for Legislation at (202) 690-7627.

Sincerely,

Xavier Becerra